

Condensed Interim Consolidated Financial Statements of

# **Lundin Mining Corporation**

September 30, 2020  
(Unaudited)

**LUNDIN MINING CORPORATION**

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

September 30,      December 31,  
2020                      2019

(Unaudited - in thousands of US dollars)

**ASSETS**

Cash and cash equivalents (Note 3)	\$ 221,964	\$ 250,563
Trade and other receivables (Note 4)	366,124	335,782
Income taxes receivable	60,682	52,523
Inventories (Note 5)	220,924	216,503
Other current assets	14,824	14,330
<b>Total current assets</b>	<b>884,518</b>	869,701
Restricted cash	47,806	47,666
Long-term inventory (Note 5)	661,473	550,561
Other non-current assets	7,706	7,970
Mineral properties, plant and equipment (Note 6)	5,033,954	5,065,556
Investment in associate	25,920	28,957
Deferred tax assets (Note 17)	64,657	104,627
Goodwill	246,311	242,208
	<b>6,087,827</b>	6,047,545
<b>Total assets</b>	<b>\$ 6,972,345</b>	\$ 6,917,246

**LIABILITIES**

Trade and other payables (Note 7)	\$ 296,214	\$ 370,067
Income taxes payable	63,580	66,825
Current portion of debt and lease liabilities (Note 8)	116,460	80,782
Current portion of deferred revenue (Note 9)	85,512	83,960
Current portion of reclamation and other closure provisions (Note 10)	2,406	3,735
<b>Total current liabilities</b>	<b>564,172</b>	605,369
Debt and lease liabilities (Note 8)	227,725	227,767
Deferred revenue (Note 9)	653,717	674,186
Reclamation and other closure provisions (Note 10)	408,653	380,049
Other long-term liabilities	78,207	84,837
Provision for pension obligations	10,687	10,938
Deferred tax liabilities (Note 17)	708,908	636,700
	<b>2,087,897</b>	2,014,477
<b>Total liabilities</b>	<b>2,652,069</b>	2,619,846

**SHAREHOLDERS' EQUITY**

Share capital (Note 11)	4,184,257	4,184,667
Contributed surplus	54,424	51,339
Accumulated other comprehensive loss	(240,097)	(284,649)
Deficit	(195,335)	(178,298)
Equity attributable to Lundin Mining Corporation shareholders	3,803,249	3,773,059
Non-controlling interests	517,027	524,341
	<b>4,320,276</b>	4,297,400
	<b>\$ 6,972,345</b>	\$ 6,917,246

Commitments and contingencies (Note 19)

Subsequent event (Note 23)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

## LUNDIN MINING CORPORATION

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited - in thousands of US dollars, except for shares and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenue (Note 12)	\$ 600,673	\$ 538,715	\$ 1,511,977	\$ 1,324,350
Cost of goods sold				
Production costs (Note 13)	(279,373)	(293,899)	(831,082)	(754,807)
Depreciation, depletion and amortization	(121,957)	(116,203)	(362,136)	(274,600)
Gross profit	199,343	128,613	318,759	294,943
General and administrative expenses	(10,319)	(11,376)	(32,871)	(35,163)
General exploration and business development	(11,642)	(16,925)	(34,262)	(59,620)
Finance income (Note 15)	5,515	954	5,524	9,769
Finance costs (Note 15)	(12,300)	(19,829)	(43,745)	(37,050)
Income (loss) from equity investment in associate	1,034	(868)	2,980	(11,515)
Other (expense) income (Note 16)	(4,709)	(2,762)	14,471	(5,557)
Earnings before income taxes	166,922	77,807	230,856	155,807
Current tax recovery (expense) (Note 17)	11,464	(29,046)	(24,370)	(60,438)
Deferred tax expense (Note 17)	(44,791)	(16,711)	(138,201)	(10,996)
Net earnings	\$ 133,595	\$ 32,050	\$ 68,285	\$ 84,373
<b>Net earnings attributable to:</b>				
Lundin Mining Corporation shareholders	\$ 122,355	\$ 26,367	\$ 49,599	\$ 70,240
Non-controlling interests	11,240	5,683	18,686	14,133
Net earnings	\$ 133,595	\$ 32,050	\$ 68,285	\$ 84,373
Basic and diluted earnings per share attributable to Lundin Mining Corporation shareholders	\$ 0.17	\$ 0.04	\$ 0.07	\$ 0.10
Weighted average number of shares outstanding (Note 11)				
Basic	733,825,007	735,149,783	733,981,090	735,447,121
Diluted	735,514,039	735,986,173	734,981,419	736,168,758

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**LUNDIN MINING CORPORATION**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited - in thousands of US dollars)

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net earnings	\$ 133,595	\$ 32,050	\$ 68,285	\$ 84,373
<b>Other comprehensive income (loss), net of taxes</b>				
Item that may be reclassified subsequently to net earnings:				
Effects of foreign exchange	48,293	(49,260)	44,552	(60,015)
<b>Other comprehensive income (loss)</b>	<b>48,293</b>	<b>(49,260)</b>	<b>44,552</b>	<b>(60,015)</b>
<b>Total comprehensive income (loss)</b>	<b>\$ 181,888</b>	<b>\$ (17,210)</b>	<b>\$ 112,837</b>	<b>\$ 24,358</b>
<b>Comprehensive income (loss) attributable to:</b>				
Lundin Mining Corporation shareholders	170,648	\$ (22,893)	\$ 94,151	\$ 10,225
Non-controlling interests	11,240	5,683	18,686	14,133
<b>Total comprehensive income (loss)</b>	<b>\$ 181,888</b>	<b>\$ (17,210)</b>	<b>\$ 112,837</b>	<b>\$ 24,358</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

## LUNDIN MINING CORPORATION

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - in thousands of US dollars, except for shares)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Non- controlling interests	Total
Balance, December 31, 2019	734,233,642	\$ 4,184,667	\$ 51,339	\$ (284,649)	\$ (178,298)	\$ 524,341	\$ 4,297,400
Distributions	-	-	-	-	-	(26,000)	(26,000)
Exercise of share-based awards	1,671,923	9,234	(4,595)	-	-	-	4,639
Share-based compensation	-	-	7,680	-	-	-	7,680
Dividends declared (Note 11(c))	-	-	-	-	(65,187)	-	(65,187)
Share purchase (Note 11(d))	(2,212,600)	(9,644)	-	-	(1,449)	-	(11,093)
Net earnings	-	-	-	-	49,599	18,686	68,285
Other comprehensive income	-	-	-	44,552	-	-	44,552
Total comprehensive income	-	-	-	44,552	49,599	18,686	112,837
<b>Balance, September 30, 2020</b>	<b>733,692,965</b>	<b>\$ 4,184,257</b>	<b>\$ 54,424</b>	<b>\$ (240,097)</b>	<b>\$ (195,335)</b>	<b>\$ 517,027</b>	<b>\$ 4,320,276</b>
Balance, January 1, 2019	733,534,879	\$ 4,177,660	\$ 49,424	\$ (260,179)	\$ (275,759)	\$ 502,420	\$ 4,193,566
Exercise of share-based awards	3,591,185	21,376	(12,607)	-	-	-	8,769
Share-based compensation	-	-	11,012	-	-	-	11,012
Dividends declared	-	-	-	-	(49,757)	-	(49,757)
Share purchase	(2,585,756)	(11,146)	-	-	(1,166)	-	(12,312)
Net earnings	-	-	-	-	70,240	14,133	84,373
Other comprehensive loss	-	-	-	(60,015)	-	-	(60,015)
Total comprehensive (loss) income	-	-	-	(60,015)	70,240	14,133	24,358
Balance, September 30, 2019	734,540,308	\$ 4,187,890	\$ 47,829	\$ (320,194)	\$ (256,442)	\$ 516,553	\$ 4,175,636

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

## LUNDIN MINING CORPORATION

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited - in thousands of US dollars)

Cash provided by (used in)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
<b>Operating activities</b>				
Net earnings	\$ 133,595	\$ 32,050	\$ 68,285	\$ 84,373
Items not involving cash and other adjustments				
Depreciation, depletion and amortization	121,957	116,203	362,136	274,600
Share-based compensation	2,300	3,564	7,680	11,012
Foreign exchange gain	(2,972)	(12,378)	(40,845)	(13,241)
Finance costs, net	6,785	18,875	38,221	27,281
Recognition of deferred revenue (Note 9)	(17,276)	(9,873)	(51,790)	(35,208)
Deferred tax expense	44,791	16,711	138,201	10,996
(Income) loss from equity investment in associate	(1,034)	868	(2,980)	11,515
Revaluation of derivative asset and liability (Note 16)	5,553	15,741	23,217	15,379
Other	3,391	(3,059)	1,981	856
Reclamation payments (Note 10)	(375)	(1,808)	(1,597)	(8,175)
Other payments	(4,798)	(1,939)	(5,559)	(4,991)
Changes in long-term inventory	(29,903)	(19,944)	(68,084)	(30,326)
Changes in non-cash working capital items (Note 22)	10,187	(43,418)	(75,643)	34,131
	<b>272,201</b>	<b>111,593</b>	<b>393,223</b>	<b>378,202</b>
<b>Investing activities</b>				
Investment in mineral properties, plant and equipment	(89,773)	(164,950)	(331,000)	(525,664)
Chapada acquisition, net of cash acquired	-	(756,954)	-	(756,954)
Contingent consideration received (Note 4)	-	-	25,714	-
Payment of Chapada derivative liability (Note 7)	(25,000)	-	(25,000)	-
Interest received	4,912	1,287	5,524	9,208
Distributions from associate	-	-	6,017	15,730
Other	(39)	411	655	(1,862)
	<b>(109,900)</b>	<b>(920,206)</b>	<b>(318,090)</b>	<b>(1,259,542)</b>
<b>Financing activities</b>				
Interest paid	(4,174)	(5,032)	(10,592)	(7,453)
Principal payments of lease liabilities	(3,934)	(3,023)	(11,204)	(8,373)
Principal repayments of debt (Note 8)	(282,243)	(50,000)	(330,365)	(50,000)
Proceeds from debt (Note 8)	122,927	345,899	368,794	380,899
Dividends paid to shareholders	(22,275)	(16,620)	(64,899)	(49,681)
Share purchase (Note 11)	(3,666)	(5,818)	(11,093)	(12,312)
Proceeds from common shares issued	2,374	489	4,639	8,769
Distributions to non-controlling interests	(26,000)	-	(26,000)	-
	<b>(216,991)</b>	<b>265,895</b>	<b>(80,720)</b>	<b>261,849</b>
Effect of foreign exchange on cash balances	(7,286)	(7,797)	(23,012)	(11,385)
Decrease in cash and cash equivalents during the period	(61,976)	(550,515)	(28,599)	(630,876)
Cash and cash equivalents, beginning of period	283,940	735,068	250,563	815,429
Cash and cash equivalents, end of period	\$ 221,964	\$ 184,553	\$ 221,964	\$ 184,553
Supplemental cash flow information (Note 22)				

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

# LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

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## 1. NATURE OF OPERATIONS

Lundin Mining Corporation (the "Company") is a diversified Canadian base metals mining company primarily producing copper, zinc, gold and nickel. The Company owns 80% of the Candelaria and Ojos del Salado mining complex ("Candelaria") located in Chile. The Company's wholly-owned operating assets include the Chapada mine located in Brazil, the Eagle mine located in the United States of America ("USA"), the Neves-Corvo mine located in Portugal, and the Zinkgruvan mine located in Sweden.

The Company's common shares are listed on the Toronto Stock Exchange ("TSX") in Canada and the Nasdaq Stockholm Exchange in Sweden. The Company is incorporated under the Canada Business Corporations Act. The Company is domiciled in Canada and its registered address is 150 King Street West, Toronto, Ontario, Canada.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

### (i) Basis of presentation and measurement

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting including IAS 34 Interim financial reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value.

The Company's presentation currency is United States ("US") dollars. Reference herein of \$ or USD is to US dollars, C\$ is to Canadian dollars, SEK is to Swedish krona, € refers to the Euro, CLP refers to the Chilean peso and BRL refers to the Brazilian real.

Balance sheet items are classified as current if receipt or payment is due within twelve months. Otherwise, they are presented as non-current.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on October 28, 2020.

### (ii) Critical accounting estimates and judgments in applying the entity's accounting policies

Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2019, except for those noted below.

The Company continues to manage and respond to the COVID-19 pandemic and has implemented preventative measures to ensure the safety of its workforce, local communities and other key stakeholders. To date, production disruptions as a result of COVID-19 have been minimal and there has been no significant disruption in the delivery or receipt of goods at our operations.

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

As at September 30, 2020, an indicator of impairment of long-lived assets was identified due to the carrying amount of the Company's net assets exceeding its market capitalization. As a result, an impairment assessment was performed with no impairments identified. Future metal prices, exchange rates, discount rates and other key assumptions used in the Company's assessment are subject to greater uncertainty given the current economic environment. Changes in these assumptions could significantly impact the valuation of the Company's assets in the future.

The carrying value of the Neves-Corvo cash generating unit of \$1,075.0 million, Chapada's long-term ore stockpile of \$279.3 million, and deferred tax assets of \$31.1 million relating to Eagle are most sensitive to changes in these key assumptions.

### (iii) Significant accounting policies

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2019.

## 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	September 30, 2020	December 31, 2019
Cash	\$ 201,861	\$ 233,466
Short-term deposits	20,103	17,097
	<b>\$ 221,964</b>	<b>\$ 250,563</b>

## 4. TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of the following:

	September 30, 2020	December 31, 2019
Trade receivables	\$ 309,454	\$ 229,730
Value added tax	26,090	44,948
Prepaid expenses	15,462	21,726
Other receivables	15,118	39,378
	<b>\$ 366,124</b>	<b>\$ 335,782</b>

In 2019, other receivables included \$25.7 million for contingent consideration due under the terms of the TF Holdings Limited disposal that occurred in 2017. The Company received this payment in January 2020.

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

### 5. INVENTORIES

Inventories are comprised of the following:

	September 30, 2020	December 31, 2019
Ore stockpiles	\$ 59,971	\$ 49,696
Concentrate stockpiles	29,332	44,015
Materials and supplies	131,621	122,792
	<b>\$ 220,924</b>	<b>\$ 216,503</b>

Long-term inventory is comprised of ore stockpiles. As at September 30, 2020, the Company had \$382.2 million (December 31, 2019 - \$297.3 million) and \$279.3 million (December 31, 2019 - \$253.3 million) of long-term ore stockpiles at Candelaria and Chapada, respectively.

### 6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Mineral properties, plant and equipment are comprised of the following:

Cost	Mineral properties	Plant and equipment	Assets under construction	Total
As at January 1, 2019	\$ 3,656,432	\$ 2,458,440	\$ 350,269	\$ 6,465,141
Chapada acquisition	655,377	248,199	16,752	920,328
Additions	195,118	9,152	386,010	590,280
Disposals and transfers	21,056	234,287	(257,984)	(2,641)
Effects of foreign exchange	(96,935)	(37,574)	(10,746)	(145,255)
As at September 30, 2019	4,431,048	2,912,504	484,301	7,827,853
Chapada acquisition	17,265	(10,828)	1,948	8,385
Additions	34,485	20,910	100,961	156,356
Disposals and transfers	104,168	35,614	(167,179)	(27,397)
Effects of foreign exchange	60,640	23,665	7,606	91,911
As at December 31, 2019	4,647,606	2,981,865	427,637	8,057,108
Additions	142,760	18,955	175,433	337,148
Disposals and transfers	31,163	180,632	(220,543)	(8,748)
Effects of foreign exchange	64,412	28,018	13,392	105,822
<b>As at September 30, 2020</b>	<b>\$ 4,885,941</b>	<b>\$ 3,209,470</b>	<b>\$ 395,919</b>	<b>\$ 8,491,330</b>

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

Accumulated depreciation, depletion and amortization	Mineral properties	Plant and equipment	Assets under construction	Total
As at January 1, 2019	\$ 1,719,761	\$ 883,198	\$ -	\$ 2,602,959
Depreciation	165,354	134,622	-	299,976
Disposals and transfers	-	(706)	-	(706)
Effects of foreign exchange	(57,378)	(18,916)	-	(76,294)
As at September 30, 2019	1,827,737	998,198	-	2,825,935
Depreciation	92,884	48,452	-	141,336
Disposals and transfers	(282)	(22,011)	-	(22,293)
Effects of foreign exchange	34,817	11,757	-	46,574
As at December 31, 2019	1,955,156	1,036,396	-	2,991,552
Depreciation	263,216	153,570	-	416,786
Disposals and transfers	-	(5,492)	-	(5,492)
Effects of foreign exchange	40,026	14,504	-	54,530
<b>As at September 30, 2020</b>	<b>\$ 2,258,398</b>	<b>\$ 1,198,978</b>	<b>\$ -</b>	<b>\$ 3,457,376</b>

  

Net book value	Mineral properties	Plant and equipment	Assets under construction	Total
As at December 31, 2019	\$ 2,692,450	\$ 1,945,469	\$ 427,637	\$ 5,065,556
<b>As at September 30, 2020</b>	<b>\$ 2,627,543</b>	<b>\$ 2,010,492</b>	<b>\$ 395,919</b>	<b>\$ 5,033,954</b>

On July 5, 2019, the Company acquired 100% of Mineração Maracá Indústria e Comércio S/A, which owns the Chapada copper-gold mine located in Brazil from Yamana Gold Inc.

During the three and nine months ended September 30, 2020, the Company capitalized \$3.8 million (Q3 2019 - \$3.2 million) and \$6.9 million (YTD Q3 2019 - \$8.3 million) of finance costs to assets under construction, at a weighted average interest rate of 4.4% (2019 - 5.0%).

During the three and nine months ended September 30, 2020, the Company capitalized \$19.6 million (Q3 2019 - \$24.6 million) and \$83.2 million (YTD Q3 2019 - \$108.5 million), respectively, of deferred stripping costs to mineral properties. The depreciation expense related to deferred stripping for the three and nine months ended September 30, 2020, was \$46.9 million (Q3 2019 - \$52.3 million) and \$134.7 million (YTD Q3 2019 - \$73.6 million), respectively. Included in the mineral properties balance at September 30, 2020, is \$281.1 million (December 31, 2019 - \$205.4 million) related to deferred stripping at Candelaria and \$88.0 million (December 31, 2019 - \$84.3 million) related to underground development of the Zinc Expansion Project at the Neves-Corvo mine, which are currently non-depreciable.

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

The Company leases various assets including buildings, rail cars, vehicles, machinery and equipment. The following table summarizes the changes in right-of-use assets within plant and equipment:

Plant and equipment	Net book value
As at January 1, 2019	\$ 43,262
Additions	4,411
Depreciation	(8,612)
Effects of foreign exchange	(627)
As at September 30, 2019	38,434
Additions	11,254
Depreciation	(4,030)
Disposals	(1,800)
Effects of foreign exchange	506
As at December 31, 2019	44,364
Additions	8,560
Depreciation	(11,112)
Disposals	(450)
Effects of foreign exchange	441
<b>As at September 30, 2020</b>	<b>\$ 41,803</b>

The Company acts as lessee in certain leases that contain variable lease payment terms that are primarily based on usage of the right-of-use assets.

## 7. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following:

	September 30, 2020	December 31, 2019
Trade payables	\$ 119,134	\$ 188,430
Unbilled goods and services	71,149	72,702
Employee benefits payable	62,364	59,792
Chapada derivative liability - current portion	23,970	22,472
Royalties payable	8,088	8,769
Prepayment from customer	193	6,562
Other	11,316	11,340
	<b>\$ 296,214</b>	<b>\$ 370,067</b>

In August 2020, the Company paid the first \$25.0 million tranche of the derivative liability related to the Chapada acquisition (Note 19). The second tranche has been reclassified from other long-term liabilities to trade and other payables.

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

### 8. DEBT AND LEASE LIABILITIES

Debt and lease liabilities are comprised of the following:

	September 30, 2020	December 31, 2019
Revolving credit facility (a)	\$ 198,219	\$ 222,762
Term loans (b)	100,000	35,000
Lease liabilities (c)	37,325	42,616
Line of credit (d)	8,641	8,171
Debt and lease liabilities	344,185	308,549
Less: current portion	116,460	80,782
<b>Long-term portion</b>	<b>\$ 227,725</b>	<b>\$ 227,767</b>

The changes in debt and lease liabilities are comprised of the following:

	Leases	Debt	Total
As at January 1, 2019	\$ 42,644	\$ -	\$ 42,644
Additions	5,115	379,620	384,735
Payments	(9,347)	(50,000)	(59,347)
Interest	974	-	974
Financing fee amortization	-	42	42
Effects of foreign exchange	(701)	(812)	(1,513)
As at September 30, 2019	38,685	328,850	367,535
Additions	8,787	73,798	82,585
Payments	(4,136)	(137,754)	(141,890)
Disposals	(1,870)	-	(1,870)
Interest	667	-	667
Financing fee amortization	-	154	154
Effects of foreign exchange	483	885	1,368
As at December 31, 2019	42,616	265,933	308,549
Additions	8,106	368,794	376,900
Payments	(12,296)	(330,365)	(342,661)
Disposals	(464)	-	(464)
Interest	1,092	-	1,092
Financing fee amortization	-	457	457
Effects of foreign exchange	(1,729)	2,041	312
As at September 30, 2020	37,325	306,860	344,185
Less: current portion	13,789	102,671	116,460
<b>Long-term portion</b>	<b>\$ 23,536</b>	<b>\$ 204,189</b>	<b>\$ 227,725</b>

- a) The Company has a secured revolving credit facility of \$800.0 million with a \$200.0 million accordion option, maturing August 2023. The credit facility bears interest on drawn funds at rates of LIBOR +1.75% to LIBOR +2.75%, depending on the Company's net leverage ratio. The revolving credit facility is subject to customary covenants. During the first quarter of 2020, the Company repaid \$30.0 million and subsequently drew down \$150.0 million on the credit facility. During the third quarter of 2020, the Company repaid an additional \$145.0 million. As at September 30, 2020, the balance outstanding was \$200.0 million (December 31, 2019 - \$225.0 million), along with letters of credit totalling \$20.6 million (SEK 162.0 million and €2.2 million) (December 31, 2019 - \$23.6 million). Deferred financing fees of \$1.8 million, at September 30, 2020, have been netted against borrowings (December 31, 2019 - \$2.2 million).

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- b) During 2019, Candelaria obtained an unsecured fixed term loan in the amount of \$50.0 million, of which \$15.0 million was subsequently repaid. During the first quarter of 2020, Candelaria obtained two additional unsecured fixed term loans in the amount of \$20.0 million and \$35.0 million, respectively. All three term loans were repaid in full during the third quarter and two additional unsecured fixed term loans in the amount of \$80.0 million and \$20.0 million were obtained. These loans mature on July 27, 2021 and August 12, 2021, respectively, and accrue interest at a rate of 1.1% per annum, with interest payable upon maturity. As at September 30, 2020, the total balance outstanding was \$100.0 million (December 31, 2019 - \$35.0 million).
- c) Lease liabilities relate to leases on buildings, rail cars, vehicles, machinery and equipment which have remaining lease terms of one to fifteen years and interest rates of 0.8% - 7.1% over the terms of the leases.
- d) Sociedade Mineira de Neves-Corvo, S.A. ("Somincor"), a subsidiary of the Company which owns the Neves-Corvo mine, has a \$29.3 million (€25.0 million) line of credit for equipment financing. During the first quarter of 2020, Somincor drew \$2.0 million (€1.8 million) on the line of credit for purchases of equipment. As at September 30, 2020, the balance outstanding was \$8.6 million (€7.3 million). Interest rates vary from a fixed rate of 0.88% to EURIBOR +0.84%, dependent on the piece of equipment, with the debt maturing throughout 2023 and 2024.
- e) Somincor has a commercial paper program which matures in October 2021. The \$35.1 million (€30.0 million) program bears interest at EURIBOR +0.84%. During the second quarter of 2020, Somincor drew down \$16.4 million (€15.0 million) and \$22.5 million (€20.0 million) under this program. Both amounts were repaid on the required repayment dates of June 29, 2020 and July 29, 2020, respectively. During the third quarter of 2020, Somincor drew down an additional \$22.9 million (€20.0 million) and repaid the amount in full on August 28, 2020. There was no balance outstanding as at September 30, 2020.

The schedule of undiscounted lease payment and debt obligations is as follows:

	Leases		Debt		Total
Less than one year	\$	15,057	\$	102,671	\$ 117,728
One to five years		22,043		205,970	228,013
More than five years		3,425		-	3,425
<b>Total undiscounted obligations as at September 30, 2020</b>	<b>\$</b>	<b>40,525</b>	<b>\$</b>	<b>308,641</b>	<b>\$ 349,166</b>

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### 9. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

As at December 31, 2018	\$	588,854
Chapada acquisition		175,360
Recognition of revenue		(42,269)
Variable consideration adjustment		9,862
Finance costs		25,319
Effects of foreign exchange		(3,684)
As at September 30, 2019		753,442
Recognition of revenue		(16,826)
Variable consideration adjustment		8,365
Finance costs		10,452
Effects of foreign exchange		2,713
As at December 31, 2019		758,146
Recognition of revenue		(51,790)
Finance costs		31,036
Effects of foreign exchange		1,837
As at September 30, 2020		739,229
Less: current portion		85,512
<b>Long-term portion</b>	<b>\$</b>	<b>653,717</b>

Consideration from the Company's stream agreements are considered variable. Gold, silver and copper revenue can be subject to cumulative adjustments when the volume to be delivered under the contracts changes. In 2019, the Company recognized an adjustment to gold and silver revenue and finance costs due to an increase in the Company's Mineral Resources and Mineral Reserves estimates.

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### 10. RECLAMATION AND OTHER CLOSURE PROVISIONS

Reclamation and other closure provisions relating to the Company's mining operations are as follows:

	Reclamation provisions	Other closure provisions	Total
Balance, December 31, 2018	\$ 253,484	\$ 45,206	\$ 298,690
Chapada acquisition	71,154	-	71,154
Accretion	6,805	-	6,805
Changes in estimate	(3,200)	(1,592)	(4,792)
Changes in discount rate	34,465	-	34,465
Payments	(8,175)	-	(8,175)
Effects of foreign exchange	(10,559)	(1,158)	(11,717)
Balance, September 30, 2019	343,974	42,456	386,430
Accretion	2,920	-	2,920
Changes in estimate	1,643	(1,925)	(282)
Changes in discount rate	(11,649)	-	(11,649)
Payments	(2,320)	-	(2,320)
Effects of foreign exchange	8,544	141	8,685
Balance, December 31, 2019	343,112	40,672	383,784
Accretion	7,740	-	7,740
Changes in estimate	4,773	24	4,797
Changes in discount rate	16,883	-	16,883
Payments	(1,597)	-	(1,597)
Effects of foreign exchange	2,968	(3,516)	(548)
Balance, September 30, 2020	373,879	37,180	411,059
Less: current portion	2,406	-	2,406
<b>Long-term portion</b>	<b>\$ 371,473</b>	<b>\$ 37,180</b>	<b>\$ 408,653</b>

The Company expects these liabilities to be settled between 2020 and 2056. The provisions are discounted using current market pre-tax discount rates which range from 0.1% to 7.2% (December 31, 2019 – 0.3% to 7.0%).

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### 11. SHARE CAPITAL

a) Basic and diluted weighted average number of shares outstanding

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Basic weighted average number of shares outstanding	<b>733,825,007</b>	735,149,783	<b>733,981,090</b>	735,447,121
Effect of dilutive securities	<b>1,689,032</b>	836,390	<b>1,000,329</b>	721,637
<b>Diluted weighted average number of shares outstanding</b>	<b>735,514,039</b>	735,986,173	<b>734,981,419</b>	736,168,758
Antidilutive securities	<b>6,000</b>	3,501,500	<b>3,991,500</b>	4,469,000

The effect of dilutive securities relates to in-the-money outstanding stock options and share units ("SUs").

b) Stock options and SUs granted

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Stock options	<b>30,000</b>	276,000	<b>4,004,000</b>	4,210,000
SUs	<b>6,000</b>	48,500	<b>1,033,500</b>	1,078,000

c) Dividends

During the three and nine months ended September 30, 2020, the Company declared dividends in the amount of \$22.0 million (Q3 2019 - \$16.8 million) or C\$0.04 per share (Q3 2019 - C\$0.03), and \$65.2 million (YTD Q3 2019 - \$49.8 million) or C\$0.12 per share (YTD Q3 2019 - C\$0.09), respectively.

d) Normal course issuer bid

In 2019, the Company obtained approval from the TSX for the renewal of its normal course issuer bid ("NCIB") to purchase up to 63,797,653 common shares between December 9, 2019 and December 8, 2020. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB are limited to a maximum of 517,131 common shares. The price that the Company will pay for common shares in open market transactions will be the market price at the time of purchase.

For the three and nine months ended September 30, 2020, 621,000 and 2,212,600 shares were purchased under the NCIB at an average price of C\$7.84 and C\$6.69 per share for total consideration of \$3.7 million and \$11.1 million, respectively. All the common shares purchased were cancelled.

For the three and nine months ended September 30, 2019, 1,302,082 and 2,585,756 shares were purchased under the NCIB at an average price of C\$5.93 and C\$6.37 per share for total consideration of \$5.8 million and \$12.3 million, respectively. All the common shares purchased were cancelled.

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### 12. REVENUE

The Company's analysis of revenue from contracts with customers, segmented by product, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Copper	\$ 372,798	\$ 381,304	\$ 1,001,236	\$ 884,639
Gold	66,914	67,879	190,267	114,289
Zinc	52,863	48,950	128,911	196,586
Nickel	52,253	27,021	117,940	75,932
Lead	10,436	8,828	28,746	32,325
Silver	9,134	9,754	27,969	24,305
Other	6,083	3,228	15,921	10,967
	570,481	546,964	1,510,990	1,339,043
Provisional pricing adjustments on concentrate sales	30,192	(8,249)	987	(14,693)
<b>Revenue</b>	<b>\$ 600,673</b>	<b>\$ 538,715</b>	<b>\$ 1,511,977</b>	<b>\$ 1,324,350</b>

The Company's geographical analysis of revenue from contracts with customers, segmented based on the destination of product, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Europe	\$ 247,103	\$ 313,808	\$ 707,512	\$ 702,849
Asia	197,337	176,013	513,350	510,150
North America	79,037	12,271	178,809	64,127
South America	47,004	44,872	111,319	61,917
	570,481	546,964	1,510,990	1,339,043
Provisional pricing adjustments on concentrate sales	30,192	(8,249)	987	(14,693)
<b>Revenue</b>	<b>\$ 600,673</b>	<b>\$ 538,715</b>	<b>\$ 1,511,977</b>	<b>\$ 1,324,350</b>

### 13. PRODUCTION COSTS

The Company's production costs are comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Direct mine and mill costs	\$ 250,347	\$ 260,265	\$ 743,740	\$ 681,547
Transportation	20,130	27,603	64,447	61,474
Royalties	8,896	6,031	22,895	11,786
<b>Total production costs</b>	<b>\$ 279,373</b>	<b>\$ 293,899</b>	<b>\$ 831,082</b>	<b>\$ 754,807</b>

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### 14. EMPLOYEE BENEFITS

The Company's employee benefits are comprised of the following:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Production costs				
Wages and benefits	\$ 62,559	\$ 64,426	\$ 185,803	\$ 180,510
Retirement benefits	290	311	1,119	755
Share-based compensation	495	878	1,890	2,742
	<b>63,344</b>	65,615	<b>188,812</b>	184,007
General and administrative expenses				
Wages and benefits	4,519	4,132	14,071	14,974
Retirement benefits	186	180	659	582
Share-based compensation	1,780	2,637	5,687	8,111
	<b>6,485</b>	6,949	<b>20,417</b>	23,667
General exploration and business development				
Wages and benefits	885	1,376	2,958	5,063
Retirement benefits	10	12	32	41
Share-based compensation	25	48	103	158
	<b>920</b>	1,436	<b>3,093</b>	5,262
<b>Total employee benefits</b>	<b>\$ 70,749</b>	\$ 74,000	<b>\$ 212,322</b>	\$ 212,936

### 15. FINANCE INCOME AND COSTS

The Company's finance income and costs are comprised of the following:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Interest income	\$ 4,838	\$ 554	\$ 5,524	\$ 8,324
Deferred revenue finance costs	(7,493)	(10,622)	(25,469)	(20,473)
Interest expense and bank fees	(1,973)	(6,068)	(8,580)	(8,798)
Accretion expense on reclamation provisions	(2,441)	(2,797)	(7,740)	(6,805)
Lease liability interest	(393)	(342)	(1,092)	(974)
Other	677	400	(864)	1,445
<b>Total finance costs, net</b>	<b>\$ (6,785)</b>	\$ (18,875)	<b>\$ (38,221)</b>	\$ (27,281)
Finance income	\$ 5,515	\$ 954	\$ 5,524	\$ 9,769
Finance costs	(12,300)	(19,829)	(43,745)	(37,050)
<b>Total finance costs, net</b>	<b>\$ (6,785)</b>	\$ (18,875)	<b>\$ (38,221)</b>	\$ (27,281)

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### 16. OTHER INCOME AND EXPENSE

The Company's other income and expense are comprised of the following:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Foreign exchange gain	\$ 3,745	11,456	\$ 50,419	11,439
Revaluation of marketable securities	624	(777)	71	(196)
Revaluation of derivative asset and liability	(5,553)	(15,741)	(23,217)	(15,379)
Other expense	(3,525)	2,300	(12,802)	(1,421)
<b>Total other (expense) income, net</b>	<b>\$ (4,709)</b>	<b>\$ (2,762)</b>	<b>\$ 14,471</b>	<b>\$ (5,557)</b>

During the second quarter of 2020, the Company incurred \$6.3 million of idle project costs.

### 17. INCOME TAXES

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

As at September 30, 2020, the Company had \$644.3 million (December 31, 2019 - \$532.1 million) in net deferred tax liabilities. During the year, there was an increase in net deferred tax liabilities arising from the revaluation of non-monetary assets in Brazil of \$80.1 million and an increase in temporary differences of \$56.2 million.

For the three and nine months ended September 30, 2020, deferred tax expense includes \$4.4 million (Q3 2019 - \$14.6 million) and \$80.1 million (YTD Q3 2019 - \$14.6 million), respectively, arising from the above-mentioned revaluation of non-monetary assets.

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### 18. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. The following table shows the carrying values, fair values and fair value hierarchy of the Company's financial instruments as at September 30, 2020 and December 31, 2019:

	Level	September 30, 2020		December 31, 2019	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Fair value through profit or loss					
Restricted cash	1	\$ 47,806	\$ 47,806	\$ 47,666	\$ 47,666
Trade receivables (provisional)	2	255,521	255,521	203,565	203,565
Marketable securities	1	4,171	4,171	4,331	4,331
Derivative asset	2	-	-	25,714	25,714
		<b>\$ 307,498</b>	<b>\$ 307,498</b>	<b>\$ 281,276</b>	<b>\$ 281,276</b>
<b>Financial liabilities</b>					
Amortized cost					
Debt	2	\$ 306,860	\$ 306,860	\$ 265,933	\$ 265,933
Fair value through profit or loss					
Chapada derivative liability	2	\$ 90,064	\$ 90,064	\$ 91,817	\$ 91,817

Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

Level 1 – Quoted market price in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. observed prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities are not based on observable market data.

The Company calculates fair values based on the following methods of valuation and assumptions:

Marketable securities/restricted cash – The fair value of investments in shares is determined based on the quoted market price.

Trade receivables – The fair value of the embedded derivatives on provisional sales are valued using quoted forward market prices. The Company recognized positive pricing adjustments of \$30.2 million in revenue during the three months ended September 30, 2020 (Q3 2019 - \$8.2 million negative pricing adjustments) and positive pricing adjustments of \$1.0 million in revenue during the nine months ended September 30, 2020 (YTD Q3 2019 - \$14.7 million negative pricing adjustments).

Derivative asset & derivative liability – The fair value of these derivatives is determined using a valuation model that incorporates such factors as metal prices, metal price volatility, expiry date, and risk-free interest rate.

Debt – The fair values approximate carrying values as the interest rates are comparable to current market rates.

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The carrying values of certain financial instruments maturing in the short-term approximate their fair values. These financial instruments include cash and cash equivalents, trade and other receivables other than those provisionally priced, and trade and other payables which are classified as amortized cost.

### 19. COMMITMENTS AND CONTINGENCIES

- a) The Company has capital commitments of \$78.9 million on various initiatives, of which \$39.6 million is expected to be paid during 2020.
- b) The Company may be involved in legal proceedings arising in the ordinary course of business. The potential amount of the liability with respect to such legal proceedings is not expected to materially affect the Company's financial position.
- c) Significant changes to commitments and contingencies, since those reported at December 31, 2019, are described below:
  - i) In July 2020, a tax assessment was received for the 2017 taxation year relating to the withholding taxes paid on intercompany interest payments, the same issue as the 2016 tax assessment the Company received in 2019. The Chilean Internal Revenue Service issued a tax assessment of \$144.3 million (\$66.0 million in withholding taxes plus interest and penalties of \$78.3 million) on interest payments made in 2017. The Company has filed an administrative appeal in response to the assessment. While not yet assessed, a similar position taken on interest payments made for taxation years 2018 to 2020 year-to-date could result in approximately \$54.4 million in additional withholding taxes, excluding possible penalties and interest.
  - ii) In August 2020, another tax assessment was received for the 2016 taxation year relating to the same matter as above, but from an interest deductibility perspective, in the amount of \$30.4 million (\$13.8 million in taxes and \$16.6 million in interest and penalties) on the interest expense deducted in 2016. While not yet assessed, a similar position taken from this perspective for the taxation years 2018 to 2020 year-to-date could result in an additional \$54.9 million of taxes, excluding penalties and interest. The Company has filed an administrative appeal in response to the assessment.

No tax expense was accrued for the above assessments as the Company believes its original filing positions were in compliance with tax regulations and intends to vigorously defend this position.

- iii) In August 2020, the Company paid \$25.0 million under the Chapada gold price contingent consideration structure. The maximum contingent consideration has since been reduced to \$100.0 million.
- iv) On September 2, 2020, the plaintiffs in the Ontario class action (*Markowich v. Lundin Mining Corporation et al*) filed their leave application and motion for certification with the Ontario Superior Court of Justice. The application and motion have been scheduled for a court hearing in December 2021.

### 20. SEGMENTED INFORMATION

The Company is engaged in mining, exploration and development of mineral properties, primarily in Chile, Brazil, USA, Portugal and Sweden. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision-maker. Executive management are responsible for allocating resources and assessing performance of the operating segments.

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### For the three months ended September 30, 2020

	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Other	Total
	Chile	Brazil	USA	Portugal	Sweden		
Revenue	\$ 280,417	\$ 113,586	\$ 91,314	\$ 69,287	\$ 46,069	\$ -	\$ 600,673
Cost of goods sold							
Production costs	(120,597)	(41,723)	(36,973)	(53,034)	(26,540)	(506)	(279,373)
Depreciation, depletion and amortization	(71,309)	(9,305)	(17,707)	(13,299)	(9,864)	(473)	(121,957)
Gross profit (loss)	88,511	62,558	36,634	2,954	9,665	(979)	199,343
General and administrative expenses	-	-	-	-	-	(10,319)	(10,319)
General exploration and business development	(8,655)	(952)	176	(159)	(838)	(1,214)	(11,642)
Finance (costs) income	(7,576)	(4,142)	(430)	8,370	(818)	(2,189)	(6,785)
Income from equity investment in associate	-	-	-	-	-	1,034	1,034
Other (expense) income	(4,561)	3,120	(1,409)	1,014	(2)	(2,871)	(4,709)
Income tax (expense) recovery	(19,011)	(24,094)	(1,777)	13,235	89	(1,769)	(33,327)
<b>Net earnings (loss)</b>	<b>\$ 48,708</b>	<b>\$ 36,490</b>	<b>\$ 33,194</b>	<b>\$ 25,414</b>	<b>\$ 8,096</b>	<b>\$ (18,307)</b>	<b>\$ 133,595</b>
<b>Capital expenditures</b>	<b>\$ 49,534</b>	<b>\$ 7,959</b>	<b>\$ 1,283</b>	<b>\$ 24,265</b>	<b>\$ 6,677</b>	<b>\$ 55</b>	<b>\$ 89,773</b>

### For the nine months ended September 30, 2020

	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Other	Total
	Chile	Brazil	USA	Portugal	Sweden		
Revenue	\$ 708,521	\$ 311,832	\$ 191,340	\$ 196,252	\$ 104,032	\$ -	\$ 1,511,977
Cost of goods sold							
Production costs	(354,808)	(136,386)	(106,119)	(166,033)	(65,818)	(1,918)	(831,082)
Depreciation, depletion and amortization	(210,443)	(31,735)	(53,613)	(40,892)	(24,107)	(1,346)	(362,136)
Gross profit (loss)	143,270	143,711	31,608	(10,673)	14,107	(3,264)	318,759
General and administrative expenses	-	-	-	-	-	(32,871)	(32,871)
General exploration and business development	(20,242)	(2,542)	(32)	(1,482)	(5,369)	(4,595)	(34,262)
Finance (costs) income	(23,192)	(12,295)	(1,280)	8,424	(2,586)	(7,292)	(38,221)
Income from equity investment in associate	-	-	-	-	-	2,980	2,980
Other (expense) income	(4,184)	41,931	(3,671)	571	1,010	(21,186)	14,471
Income tax (expense) recovery	(39,219)	(129,813)	(1,694)	19,455	312	(11,612)	(162,571)
<b>Net earnings (loss)</b>	<b>\$ 56,433</b>	<b>\$ 40,992</b>	<b>\$ 24,931</b>	<b>\$ 16,295</b>	<b>\$ 7,474</b>	<b>\$ (77,840)</b>	<b>\$ 68,285</b>
<b>Capital expenditures</b>	<b>\$ 179,729</b>	<b>\$ 19,987</b>	<b>\$ 8,928</b>	<b>\$ 97,904</b>	<b>\$ 24,182</b>	<b>\$ 270</b>	<b>\$ 331,000</b>

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### For the three months ended September 30, 2019

	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Other	Total
	Chile	Brazil	USA	Portugal	Sweden		
Revenue	\$ 249,930	\$ 114,867	\$ 53,717	\$ 86,009	\$ 34,192	\$ -	\$ 538,715
Cost of goods sold							
Production costs	(138,057)	(49,704)	(24,106)	(61,555)	(19,602)	(875)	(293,899)
Depreciation, depletion and amortization	(69,261)	(17,299)	(10,261)	(12,908)	(6,033)	(441)	(116,203)
Gross profit (loss)	42,612	47,864	19,350	11,546	8,557	(1,316)	128,613
General and administrative expenses	-	-	-	-	-	(11,376)	(11,376)
General exploration and business development	(5,063)	(891)	(2,334)	(1,873)	(3,961)	(2,803)	(16,925)
Finance costs	(8,408)	(4,761)	(455)	(9)	(3,121)	(2,121)	(18,875)
Loss from equity investment in associate	-	-	-	-	-	(868)	(868)
Other income (expense)	4,044	(10,486)	37	5,644	2,335	(4,336)	(2,762)
Income tax expense	(7,727)	(26,981)	(772)	(193)	(3,548)	(6,536)	(45,757)
Net earnings (loss)	\$ 25,458	\$ 4,745	\$ 15,826	\$ 15,115	\$ 262	\$ (29,356)	\$ 32,050
Capital expenditures	\$ 80,773	\$ 12,342	\$ 10,549	\$ 54,518	\$ 6,696	\$ 72	\$ 164,950

### For the nine months ended September 30, 2019

	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Other	Total
	Chile	Brazil	USA	Portugal	Sweden		
Revenue	\$ 661,268	\$ 114,867	\$ 159,337	\$ 248,675	\$ 140,203	\$ -	\$ 1,324,350
Cost of goods sold							
Production costs	(383,585)	(49,704)	(81,752)	(176,245)	(60,727)	(2,794)	(754,807)
Depreciation, depletion and amortization	(155,022)	(17,299)	(40,577)	(38,306)	(22,063)	(1,333)	(274,600)
Gross profit (loss)	122,661	47,864	37,008	34,124	57,413	(4,127)	294,943
General and administrative expenses	-	-	-	-	-	(35,163)	(35,163)
General exploration and business development	(20,231)	(891)	(10,454)	(5,909)	(13,623)	(8,512)	(59,620)
Finance (costs) income	(24,462)	(4,761)	(841)	(693)	(4,755)	8,231	(27,281)
Loss from equity investment in associate	-	-	-	-	-	(11,515)	(11,515)
Other income (expenses)	3,971	(10,486)	81	1,694	4,363	(5,180)	(5,557)
Income tax (expense) recovery	(11,106)	(26,981)	1,137	322	(12,802)	(22,004)	(71,434)
Net earnings (loss)	\$ 70,833	\$ 4,745	\$ 26,931	\$ 29,538	\$ 30,596	\$ (78,270)	\$ 84,373
Capital expenditures	\$ 313,665	\$ 12,342	\$ 30,695	\$ 142,759	\$ 26,053	\$ 150	\$ 525,664

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

### 21. RELATED PARTY TRANSACTIONS

- a) **Transactions with associates** - The Company may enter into transactions related to its investment in associate. These transactions are entered into in the normal course of business and on an arm's length basis.
- b) **Key management personnel** - The Company has identified its directors and senior officers as its key management personnel. Employee benefits for key management personnel are as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Wages and benefits	\$ 1,582	\$ 1,523	\$ 4,945	\$ 4,800
Pension benefits	43	41	125	120
Share-based compensation	1,001	867	3,115	2,585
	\$ 2,626	\$ 2,431	\$ 8,185	\$ 7,505

### 22. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Changes in non-cash working capital items consist of:				
Trade and income tax receivables, inventories, and other current assets	\$ 14,155	\$ (27,868)	\$ (58,182)	\$ 46,585
Trade and income taxes payable, and other current liabilities	(3,968)	(15,550)	(17,461)	(12,454)
	\$ 10,187	\$ (43,418)	\$ (75,643)	\$ 34,131
Operating activities included the following cash payments:				
Income taxes (refunded) paid	\$ (26,866)	\$ 27,524	\$ 8,329	\$ 20,310

### 23. SUBSEQUENT EVENT

During October 2020, the Candelaria AOS Union and Candelaria Mine Workers Union, which collectively represent approximately 900 workers at the Company's Candelaria operations in Chile, went on strike. Due to the strike, the Candelaria operations have been temporarily suspended. Critical works will continue to be performed to protect required onsite personnel, the operation and the environment. Given the uncertainty of when operations will resume, the Company is unable to estimate the financial impact of the temporary suspension.